

support will save regularly and acquire productive assets. There are almost 1,000 families participating in CFEDs privately funded IDA demonstration and as of December 31, 1998 these families saved over \$165,000, an amount which leveraged another \$343,000 in matching funds.

IDAs are already a tremendous success. But, unless additional resources can be found to provide the matching contributions so essential for IDAs to succeed, most low income families will never have the opportunity to save and build assets for the future. The major factor in delaying the creation of IDAs in the 100 communities mentioned above is the lack of a funding source that can provide the needed matching contributions. Our tax cut bill will and should provide nearly \$800 billion in tax cuts over the next ten years. I believe that, within this bill, we should make a small investment of only \$5-\$10 billion in IDAs. This would ensure that millions of working, low income families who want to work and save for their first home, provide a post-secondary education for a child, or start a small business could establish their own IDA accounts.

I strongly encourage the Senate Finance Committee to look closely at IDAs as a means of helping low income families build the financial assets they need to achieve the American Dream.

FAIRNESS FOR FEDERAL WORKERS IN RHODE ISLAND

Mr. REED. Mr. President, I rise today to address an issue of critical importance to nearly 6,000 federal workers in the state of Rhode Island and to the agencies that employ them.

The absence of federal locality pay for workers in Rhode Island has created serious recruitment and retention problems for federal offices due to the substantial federal pay differential between Rhode Island and the neighboring states of Massachusetts and Connecticut.

Let me briefly give the background on this complex issue. Nine years ago, Congress enacted the Federal Employees Pay Comparability Act of 1990 to correct disparities between Federal and private salaries. The Act authorized the President to grant interim geographic pay adjustments of up to 8% in certain areas with significant pay disparities during 1991-1993. Beginning in 1994, the Act provided for a nationwide system of locality pay intended to close the gap between Federal and private salaries over a nine-year period.

Unfortunately, implementation of the Act has created significant pay disparities among Federal employees in southern New England, in particular between Federal employees in Rhode Island and those in Massachusetts and Connecticut.

Rhode Island is literally surrounded by locality pay areas. On its western border, Rhode Island is adjacent to the Hartford locality pay area, which in-

cludes all of New London County, Connecticut. Rhode Island's entire northern border is adjacent to the Boston-Worcester-Lawrence locality pay area, which includes the towns of Douglas, Uxbridge, Millville, and Blackstone in Worcester County, Massachusetts; and all of Norfolk County, Massachusetts. The Boston pay locality even reaches around the state of Rhode Island to encompass the adjacent town of Thompson, Connecticut, which lies directly west of Woonsocket, Rhode Island, on the opposite side of our state from Boston. Finally, Rhode Island's eastern border is separated from the Boston locality pay area by as little as four miles.

One facility within a few miles of the Boston locality pay area, the Naval Undersea Warfare Center in Newport—a premier Navy R&D laboratory with world class facilities and progressive employee benefits—has seen its starting salaries continue to fall below the industry average. As a result, the Center's acceptance rate has dropped to approximately 40% and the average GPA of new employees is down.

The Federal Salary Council's eligibility criteria have created what I frequently refer to as a "donut hole" in locality pay in our region that leaves thousands of federal employees in Rhode Island with a minus 3.45% pay differential in 1999 when compared to federal employees just a few miles to the north, east, and west.

Mr. CHAFEE. Will the Senator yield?

Mr. REED. I will be happy to yield to the senior Senator from Rhode Island.

Mr. CHAFEE. It is no wonder that Federal agencies in Rhode Island have trouble recruiting and retaining qualified employees given the very short travel time to the higher-paying Boston or Hartford locality pay areas. Most Americans know that Rhode Island is the smallest state in the nation, but I think it is worth emphasizing just how small the dimensions are, and the impact that has on commuting patterns in our region.

It is only 35 miles from the eastern edge of the Hartford locality pay area in Connecticut to the Boston locality pay area in Dartmouth, Massachusetts. In between, a little more than 30 miles across, is the state of Rhode Island and 3,700 federal employees without locality pay in Newport County. Where is the incentive for a federal employee living in central Rhode Island to continue working for a federal agency in our state when he or she could drive less than 20 miles in any direction and receive a nearly 4% raise?

Mr. REED. The Senator is correct. This situation makes no sense given the similar cost of labor across southern New England and the unusually heavy commuting patterns between Rhode Island and the Boston and Hartford pay localities, especially with the Boston area. It is only 45 miles from Providence to downtown Boston.

The question before us now is, how did we get into this situation, and how

can we correct it? The main obstacle to federal locality pay in Rhode Island is the federal government's use of county data to determine the eligibility of "Areas of Application" to existing pay localities. First of all, I would note that Rhode Island has no county governments, and the Federal Salary Council's use of county data is, therefore, impractical and arbitrary. Secondly, the criteria for application are structured in such a way that our state cannot become eligible. To be considered, a county must be contiguous to a pay locality; contain at least 2,000 General Schedule employees; have a significant level of urbanization; and demonstrate some economic linkage with the pay locality, defined as commuting at a level of 5% or more into or from the areas in question.

Mr. CHAFEE. If the Senator will yield, I would point out that in our state, Newport County surpasses the employee requirement but is not contiguous to a pay locality because the President's Pay Agent excluded the towns of Westport and Fall River, Massachusetts from the Boston-Worcester-Lawrence pay locality. As a result, less than four miles separate the 3,700 Federal employees in Newport County from the locality pay provided to employees in the Boston pay locality.

Given our State's extremely small size and, as the Senator mentioned, the fact that Rhode Island has no county governments, the Salary Council's use of county data is inappropriate. The total land area of Rhode Island is only about two-thirds the size of Worcester County, Massachusetts, nearly all of which falls inside the Boston pay locality. As long as the Pay Agent applies its criteria on a county-by-county basis, no part of Rhode Island will be eligible for a higher level of locality pay, and existing Federal pay disparities between Rhode Island and its neighbors will continue to degrade Federal services in our state.

Simply put, the FEPCA law was intended to resolve a public-private pay disparity. In southern New England, however, it has created a public-public pay disparity.

Mr. REED. The Senator is absolutely right. And to remedy this situation, the bill we have introduced, S. 1313, the Rhode Island Federal Worker Fairness Act, will require the President's Pay Agent to consider the State of Rhode Island as one county strictly for the purposes of locality pay. We believe this bill will enable Rhode Island, the smallest state in the nation and about the same size as the average county in the United States, to apply for locality pay on an equal footing with county governments in other parts of the country.

We look forward to working with the distinguished Chairman of the Governmental Affairs Committee, Senator THOMPSON, and the Committee's ranking member, Senator LIEBERMAN, in our effort to reduce the inequities among Federal employees in our region

and enable federal offices in Rhode Island to attract and retain qualified employees.

I yield the floor.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session the Presiding Officer laid before the Senate a message from the President of the United States submitting a treaty which was referred to the Committee on Foreign Relations.

REPORT ON THE NATIONAL EMERGENCY CONCERNING WEAPONS OF MASS DESTRUCTION—MESSAGE FROM THE PRESIDENT—PM 47

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

As required by section 204 of the International Emergency Economics Powers Act (50 U.S.C. 1703(c)) and section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), I transmit herewith a 6-month report on the national emergency declared by Executive Order 12938 of November 14, 1994, in response to the threat posed by the proliferation of nuclear, biological, and chemical weapons ("weapons of mass destruction") and of the means of delivering such weapons.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 13, 1999.

MESSAGE FROM THE HOUSE

At 2 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2035. An act to correct errors in the authorizations of certain programs administered by the National Highway Traffic Administration.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 107. Concurrent resolution expressing the sense of Congress rejecting the conclusions of a recent article published by the American Psychological Association that suggests that sexual relationships between adults and children might be positive for children.

H. Con. Res. 117. Concurrent resolution concerning United Nations General Assembly Resolution ES-10/6.

MEASURES REFERRED

The following bill, previously received from the House of Representa-

tive for the concurrence of the Senate, was read the first and second times by unanimous consent and referred as indicated:

H.R. 592. An act to designate a portion of Gateway National Recreation Area as "World War Veterans Park at Miller Field"; to the Committee on Energy and Natural Resources.

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 107. Concurrent resolution expressing the sense of Congress rejecting the conclusions of a recent article published by the American Psychological Association that suggests that sexual relationships between adults and children might be positive for children.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-4144. A communication from the Secretary of Defense, transmitting, the report of a retirement; to the Committee on Armed Services.

EC-4145. A communication from the Secretary of Defense, transmitting, the report of a retirement; to the Committee on Armed Services.

EC-4146. A communication from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting, pursuant to law, the annual report of the Farm Credit System for calendar year 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4147. A communication from the Director, Retirement and Insurance Services, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled "Federal Employees Health Benefits Program and Department of Defense Demonstration Project-Amendments to 48 CFR, Chapter 16" (RIN3206-A167), received July 12, 1999; to the Committee on Governmental Affairs.

EC-4148. A communication from the Director, Retirement and Insurance Services, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled "Federal Employees Health Benefits Program and Department of Defense Demonstration Project-Amendments to 5 CFR, Part 890 (RIN3206-A167), received July 12, 1999; to the Committee on Governmental Affairs.

EC-4149. A communication from the Executive Director, Committee for the Purchase from People who are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule entitled "Additions to and Deletions from the Procurement List", received July 12, 1999; to the Committee on Governmental Affairs.

EC-4150. A communication from the Acting Deputy Director for Management, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report entitled "Electronic Purchasing and Payment in the Federal Government"; to the Committee on Governmental Affairs.

EC-4151. A communication from the Public Printer, Government Printing Office, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1998, through March 31, 1999; to the Committee on Governmental Affairs.

EC-4152. A communication from the Executive Director, Committee for the Purchase from People who are Blind or Severely Dis-

abled, transmitting, pursuant to law, the report of a rule entitled "Additions to the Procurement List", received July 6, 1999; to the Committee on Governmental Affairs.

EC-4153. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to the elimination of the danger pay allowance for the Central African Republic; to the Committee on Foreign Relations.

EC-4154. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, a report of the International Labor Organization relative to general conditions to stimulate job creation in small and medium-sized enterprises; to the Committee on Foreign Relations.

EC-4155. A communication from the President of the United States, transmitting, pursuant to law, a report of a safeguard action on imports of lamb meat; to the Committee on Finance.

EC-4156. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Regulations under Section 1502 of the Internal Revenue Code of 1986; Limitations on Net Operating Loss Carryforwards and Certain Built-in Losses and Credits Following an Ownership Change of a Consolidated Group" (RIN1545-AU32) (TD8824), received June 29, 1999; to the Committee on Finance.

EC-4157. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Regulations under Section 382 of the Internal Revenue Code of 1986; Application of Section 382 in Short Taxable Years and with Respect to Controlled Groups" (RIN1545-AU33) (TD8825), received June 29, 1999; to the Committee on Finance.

EC-4158. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Removal of Regulations Providing Guidance under Subpart F Relating to Partnerships and Branches" (TD8827), received July 9, 1999; to the Committee on Finance.

EC-4159. A communication from the Chief Counsel, Fiscal Service, Bureau of the Public Debt, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Final Rule to Amend 31 CFR Parts 315, 353, 357, and 370 to Consolidate Provisions Relating to Electronic Transactions and Funds Relating to United States Securities," received July 6, 1999; to the Committee on Finance.

EC-4160. A communication from the Director, Policy Directives and Instructions Branch, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "Canadian Border Boat Landing Program" (RIN1115-AE53) (INS No. 1796-96), received July 8, 1999; to the Committee on the Judiciary.

EC-4161. A communication from the Principal Deputy Director, Office of Community Oriented Policing Services, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "Police Recruitment Program Guidelines" (RIN11015-AAE58), received July 6, 1999; to the Committee on the Judiciary.

EC-4162. A communication from the Chairman, Federal Energy Regulatory Commission, transmitting, pursuant to law, the annual report for fiscal year 1998; to the Committee on Energy and Natural Resources.

EC-4163. A communication from the Acting Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting, pursuant to law, the report of